

CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

This material contains information affecting the National Defense of the United States within the meaning of the Espionage Laws, Title 18, U.S.C. Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

SECRET

COUNTRY	East Germany	REPORT	
SUBJECT	DIA Chemie: Possible Change in Status	DATE DISTR.	17 January 1955
DATE OF INFO.		NO. OF PAGES	1
PLACE ACQUIRED		REQUIREMENT	
		REFERENCES	
	This is UNEVALUATED Information		

THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.
THE APPRAISAL OF CONTENT IS TENTATIVE.
(FOR KEY SEE REVERSE)

25X1

1. It has not been officially announced, but it is believed that Deutscher Innen-und Aussenhandel (DIA) - Chemie is to be classified as a "Haushaltsorganisation" effective 1 January 1955. 25X1
2. The effect of such a change would be that: DIA-Chemie would no longer be required to set up financial plans for each year; that it need not make any efforts to obtain a certain amount of profit each year; that all its financial requirements, for expenses as well as for purchase of goods, would be paid directly by the government treasury instead of by itself; and that all money received from sales, either export or import, would go directly to the government treasury. 25X1
3. Further, DIA-Chemie would no longer charge a percentage-based markup on all goods which it handled, but the goods would be passed on to the purchaser at the price DIA had to pay for them. 25X1
4. Another provision of this proposed change is that all goods imported through this DIA would be sold to East German consumers at the import price level. The Government would no longer pay any subsidies in those cases where import prices were formerly considered too high for the East German manufacturers to absorb. This would raise the cost of production items, yet the factory sales price would remain at the previously approved level. The factory, therefore, would have to absorb the increase in cost of raw materials, which means that it would not be able to fulfill the Profit Plan..

Comment: Its operation would be covered by the State budget.

25X1

25X1

SECRET

STATE	#X	ARMY	#X	NAVY	X	AIR	X	SSI		AEC		ORR	
-------	----	------	----	------	---	-----	---	-----	--	-----	--	-----	--

(NOTE: Washington distribution indicated by "X"; Field distribution by "#")

25X1